29 August 1963

MEMORANDUM FOR: Chief, Dissemination Control Branch, DD/CR

FROM : Chief, Publications Staff, ORR

SUBJECT : Transmittal of Material

It is requested that the attached copies of CIA/RR CB 63-69, Potential Areas of US Aid in Developing the Rumanian Chemical Industry, Secret, be forwarded as follows:

Copy No.	Recipient
	Department of Commerce Mr. Charles F. Boehm CID/BIBO, Room 1846 Main Commerce Bldg.
186	Attn: Mr. Frank Wilder, Chemical and Petroleum Section OEC, BIC, 1201 E St. NW Commerce
187	Attn: Mr. R. C. Tompos, Technical Data Staff, OEC, BIC 1201 E St. NW Commerce

[redacted] 25X1A

2 Attachments

ACTION COMPLETED
The dissemination requested on
this memorandum has been completed.
BY: KS
Date: 29 August 1963

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2 JL

Current Support Brief

POTENTIAL AREAS OF US AID IN DEVELOPING THE RUMANIAN CHEMICAL INDUSTRY

CIA/RR CB 63-69
23 August 1963

CENTRAL INTELLIGENCE AGENCY

Office of Research and Reports

SECRET

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POTENTIAL AREAS OF US AID IN DEVELOPING THE RUMANIAN CHEMICAL INDUSTRY

In an effort to transform itself from a largely agricultural country into an industrialized nation, Rumania, making use of abundant supplies of domestic chemical raw materials, has expanded its chemical industry considerably since World War II. Furthermore, long-term plans include the development of facilities for production of a wide range of products new to Rumania, especially advanced types of synthetic rubber, fibers, and plastics. Although some of the more industrialized nations of CEMA have aided Rumania's current build-up, Rumania, as has been true of the USSR and other countries of the Soviet Bloc, has found it necessary to turn to non-Bloc countries for much of the equipment and technology required to achieve the planned development. Several existing projects could well use US equipment and technology; however, because of US restrictions on trade, Rumania has been able to obtain little equipment or technology of significance from the US other than certain petrochemical technology acquired in violation of COCOM controls. 1/ In recent conversations with Secretary of Agriculture Freeman and Governor Harriman, top Rumanian officials, including Gheorghiu-Dej, stated that Rumania would like to import industrial installations and technology from the US but complained that present US trade control policy is acting as a barrier to such trade. Particular interest was expressed by the Rumanians in purchasing installations for the production of synthetic rubber, chemicals, and cellulose. 2/

1. Major Chemical Construction Projects Requiring Assistance

At present, a considerable number of significant projects of the Rumanian chemical industry, for which US equipment or technology is desired, are both planned and under construction. During the current Six Year Plan (1960-65), Rumania plans for the output of its chemical industry (including cellulose, paper, and rubber products) to increase 3.3 times above the level of 1959. Major construction projects designed to accomplish this ambitious program include facilities for the manufacture of such important products as nitrogen and phosphorus fertilizer,

pesticides, plastics, chemical fibers, synthetic rubber, and motor vehicle tires. 3/ Although assistance is being received from the USSR and various European Satellites, the countries of the Soviet Bloc in general, including the USSR, are unable to produce equipment in sufficient volume and quality to carry out all the large-scale developments now planned in their respective domestic chemical industries. As a result, Rumania has obtained and still is trying to obtain equipment and technology from non-Bloc countries for certain phases of the program. The major construction efforts of the Six Year Plan, including the foreign contributions to their completion, are listed in Table 1.

2. Previous Requests for US Assistance

Rumania has requested specific types of chemical equipment and technology either directly from US firms or indirectly through their associates in Western Europe. Since 1960, such requests have concerned mainly the fields of fertilizers, chemical fibers, plastics, and petrochemicals, all of which are being emphasized by Rumania in its current and long-range plans. 4/ A listing of such requests is given in Table 2.

3. Possible Future Requests for US Assistance

The scope of the developmental plan for the chemical industry and the inability of the Bloc to supply the entire range of equipment and technology needed apparently have given Rumania an incentive to deal with the West. 5/ Although Rumania has obtained and will continue to acquire considerable chemical equipment and technology from Western Europe, it is now making a more determined effort to obtain such aid from the US. In August 1963, Gheorghiu-Dej and other Rumanian officials used the visits of Secretary Freeman and Governor Harriman as the occasion to press for a relaxation of US trade control policy so that Rumania would be able to purchase industrial installations and technology from the US. 6/ Among several other things, the Rumanians indicated an interest in importing installations for production of synthetic rubber, chemicals, and cellulose. Special emphasis was placed on the need to

purchase from the US two plants for more advanced types of synthetic rubber -- polybutadiene and polyisoprene. 7/ The Rumanian Six Year Plan calls for a start in the construction of at least one such plant. 8/ Although the Rumanians desired to obtain credit terms of 5 years or more for purchases of industrial installations from the US, Gheorghiu-Dej declared that other means, if necessary, would be found to purchase them. 9/ To demonstrate the seriousness of their intentions, the Rumanians propose sending the Chairman of the State Planning Committee, Gheorghe Gaston-Marin, to the US in the near future for discussions with trade experts. 10/

Table 1

Major Construction Projects of the Chemical Industry in Rumania
1960-65

Name and Location	Raw Material	Major Products	Ultimate Annual Capacity (Thousand Metric Tons)	External Contribution	Status
Chemical combine, Onesti-Borzesti 11/	Domestic petroleum and salt	Butadiene-styrene rubber	50	Soviet loan, including 60 percent of equipment, and Soviet technicians; some Czechoslovak equipment; unpublicized West German equipment and technicians	Under construction; synthetic rubber section to open in 1963; chloralkali section operating but being expanded
		Caustic soda	95		
		Chlorine	83		
		Polyvinyl chloride	36		
		Phenol	18		
		Acetone	11		
		Pesticides	26		
		Polystyrene	6.5		
Chemical complex, Craiova 12/	Domestic natural gas and beech-wood	Ammonia	100 to 200	Unspecified Soviet aid; probable site of 100,000 to 200,000 metric ton nitrogen plant to be built with Soviet aid	Construction began in March 1962; presumably to be completed by 1965
		Nitric acid	N.A.		
		Nitrogen fertilizer	420 (gross)		
		Synthetic fibers	N.A.		
		Cellulosic fibers	N.A.		
		Plastics	N.A.		
Chemical combine, Tirgu Mures 13/	Domestic natural gas	Ammonia	N.A.	N.A.	Construction not yet started
		Nitric acid	N.A.		
		Nitrogen fertilizer	500 (gross)		
		Plastics	N.A.		
		Synthetic fibers	N.A.		
		Urea	N.A.		
Nitrogen fertilizer combine, Roznov 14/	Domestic natural gas	Ammonia	100	Complete Soviet project but reportedly with obsolete techniques. Two-thirds of the equipment is from the USSR	Reportedly began operating at end of 1962, but probably still far from completion
		Nitric acid	N.A.		
		Ammonium nitrate (fertilizer)	210 (gross)		
		Urea	20		
Phosphorus fertilizer plant, Turnu Magurele 15/	Imported apatite	Sulfuric acid	N.A.	N.A.	Construction not yet begun; location may not be definite
		Phosphorus fertilizer	N.A.		

Table 1

Major Construction Projects of the Chemical Industry in Rumania
1960-65
(Continued)

Name and Location	Raw Material	Major Products	Ultimate Annual Capacity (Thousand Metric Tons)	External Contribution	Status
Phosphorus fertilizer plant, Suceava 16/	Imported apatite	Sulfuric acid Phosphorus fertilizer	N.A. N.A.	N.A.	Construction not yet begun; location may not be definite
Sulfuric acid and superphosphate plant, Navodari 17/	Imported apatite	Sulfuric acid Superphosphate	200 520 (gross)	Constructed with Soviet aid, but reportedly has West German equipment and technicians	Began operations in 1958-59; expansion continuing to 1965
Petru Poni chemical fertilizer plant, Valea Calugareasca 18/	Imported apatite	Sulfuric acid Phosphorus fertilizer	50 100 (gross)	Probable site of 10,000 metric ton tripolyphosphate plant purchased from Belgium	Old plant enlarged in 1958-59; further expansion planned by 1965
Petrochemical combine, Brazi 19/	Domestic petroleum	Gasoline and other fuel and oil products Organic chemicals Polyethylene	N.A. N.A. 24	Probable site of polyethylene plant purchased from UK in 1961. West German, French, and Italian technicians have been reported at this plant. Measuring and control equipment obtained from the USSR and East Germany. US process designs and technical data obtained in violation of COCOM controls	Reported opened in September 1961, but probably only petroleum refinery operating
Reed cellulose plant, Braila-Chiscani 20/	Reeds from the Danube delta	Cellulose Rayon Furfural Rayon tire cord	200 20 N.A. N.A.	A CEMA project with aid provided by East Germany, Czechoslovakia, and Poland. Non-Bloc countries have been approached for cellulose, rayon, and furfural equipment that may be for this plant	Cellulose produced in 1961, but rayon and furfural not yet in production

Table 1

Major Construction Projects of the Chemical Industry in Rumania
1960-65
(Continued)

Name and Location	Raw Material	Major Products	Ultimate Annual Capacity (Thousand Metric Tons)	External Contribution	Status
Synthetic fibers plant, Savinesti 21/	Domestic natural gas and petroleum	Polyamide fibers Polyacrylic fibers	2 11	Constructed mainly with West German help and equipment. Some French and UK equipment installed	Polyamide unit in partial operation, remainder under construction
Chemical combine, Victoria 22/	Domestic natural gas	Ammonia Plastics Nitric acid Nitrogen fertilizer Methanol Formaldehyde	N.A. N.A. N.A. N.A. N.A. 24	An old plant being expanded by the addition of a methanol and formaldehyde unit from Italy	Methanol unit reported completed in 1961, but Italian technicians still present in 1962
Soda products plant, Ocna Mures 23/	Domestic salt	Soda ash Caustic soda	300 60	Concentrated soda ash installation, capacity 250 metric tons per day, ordered from West Germany in 1963	Old plant being expanded. New installation to begin operation in 1964
Soda plant, Govora 24/	Domestic salt	Soda ash Caustic soda	200 40	Soviet aid in planning	Opened in 1960; expansion now taking place
Danubiana tire plant, Popesti-Leordeni 25/	Imported rubber; eventually, domestic synthetic rubber	Motor vehicle tires	a/	Plant purchased from and installed by the UK	Opened in 1962, but UK technicians reportedly still are employed. Full capacity not yet reached

a. One million units.

Table 2

Rumanian Requests for US Chemical Equipment and Technology a/
1960-63

Aid Requested	US Contact and Date	Comments
Technical data for a carbon dioxide removal unit for a nitrogen fertilizer plant 26/	Benson, Fields, and Epes, Malvern, Pa. via H. Topsoe firm of Denmark in August 1962	Data possibly for use at Craiova Approved 14 September 1962 by ACEP LD 386
Basic oxygen plant 27/	Air Products and Chemicals, Inc., Allentown, Pa. in 1962-63	For new steel works at Galati Still in discussion stage
Polypropylene installation 28/	Firestone Corp., Akron, Ohio, in September 1962	Rumanian request to visit Firestone refused by Firestone
Technical data for phosphoric acid plant and complex fertilizer plant 29/	Dorr-Oliver, Inc., Stamford, Connecticut via two French firms	Data may be desired for 1 of 2 planned phosphorus fertilizer plants Approved 9 November 1962 by ACEP LD 442
25X1 Carbon black plant and polypropylene plant 30/	[redacted]	The polypropylene plant may be desired for the combine at Onesti-Borzesti No further information
Pilot plant for aldrin insecticide 31/		May be desired for combine at Onesti-Borzesti No further information
US petrochemical technology, particularly for production of olefins, polyethylene, polypropylene, and polycarbonates 32/		Possibly needed in installations at Onesti-Borzesti or Brazi No further information
A sulfuric acid plant, annual capacity 10,000 metric tons, using petroleum sludge 33/		Plant may be located at Cimpina in Ploesti area where a sulfuric acid plant now exists No further information
Technical data for an ammonia plant 34/	Foster Wheeler Corp., of New York via a French firm in August 1961	Request was denied 27 September 1961 by ACEP LD 92
25X1 Rayon and paper pulp and tire cord plant 35/	[redacted]	May have been desired for combine at Craiova Western European firms were subsequently contacted

a. Rumanian requests probably have been much more extensive than indicated, but many requests may not have been reported, because of reluctance of most US firms to do business with Bloc countries.

Table 2

Rumanian Requests for US Chemical Equipment and Technology
1960-63
(Continued)

Aid Requested	US Contact and Date	Comments
Viscose (rayon) fiber and cellophane plant 36/	[redacted]	May be desired for combines at Braila-Chiscani and Craiova No further information, but a viscose rayon plant to be obtained from Czechoslovakia may be a substitute for a US plant
Centrifugal compressors for natural gas installation 37/		Could be desired for any new plant using natural gas [redacted]
Pulp mill suitable for rayon fiber and tire cord 38/	Buckeye Cellulose Corp., Memphis, Tennessee, via an Italian firm in March 1963	Possibly desired for combine at Craiova; export approved in April 1963
Complex fertilizer plant 39/	[redacted]	Claimed to be intended for location in Bucharest; probably desired, however, for a site other than in Bucharest No further information
Technical data for acrylonitrile plant to produce 5,000 metric tons of acrylic fiber per year 40/	B.F. Goodrich Co., Akron, Ohio via a West German firm in March 1962	Intended to be used at Savinesti in a fiber plant under construction by a West German firm Denied in 1962 by ACEP LD 347

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